

**Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group**

Cyfarwyddwr Cyffredinol - Director General



**Llywodraeth Cymru
Welsh Government**

Nick Ramsay AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

1 October 2019

Dear Chair

The Welsh Government's youth discounted bus fare scheme – MyTravelPass

Thank you for your letter of 25 July requesting further clarification on information I provided in my letter of 27 June and evidence paper of 20 May 2019. I am sorry not to have responded before now.

The additional information requested is set out as follows:

Figures for uptake by 19-21 year olds

- *Explanation of the difference between 1,554 applications from 19-21 year olds by 22 April and the 834 passes in circulation as at 9 May.*

The 1,554 figure for applications presented in our Evidence Paper of 20 May 2019 relates to all applications within the age range for the revised scheme (16-21 years old), rather than just for the new age range category of 19 to 21 years old.

- *Specifically the extent to which it reflects applications that were deemed ineligible for different reasons, a lag in the processing of applications, or possible examples of passes that had been issued since the February launch but already expired.*

The administrators have confirmed that they do not collect this information. Multiple failed applications from an applicant would create duplicate records in the system and the inbuilt anti-fraud measures would block the issue of a pass.

- *If there are more up to date figures showing how the position may have changed since April / May then we would be glad to receive them.*

A MyTravelPass system report produced on 1 August 2019 identifies there are now 551 young persons aged between 19 - 21 years old with passes valid for travel.

Parc Cathays/Cathays Park
Caerdydd/Cardiff
CF10 3NQ

Uses of passes

- *Your letter said that of 17,795 live passes (valid for travel) as at 9 May, 2,287 distinct passes were used to purchase tickets where the sale was recorded electronically. It goes on to say that, in all, 29,344 smart tickets were purchased, some of which will have been valid for multiple journeys. We would like you to clarify the time period(s) that this analysis relates to.*

The time period relevant to the 17,795 live passes (valid for travel) was a snap shot of the data held by the back office provider on 9 May 2019. Of those 17,795 passes valid for travel, 2,287 were used to purchase smart tickets between April 2017 and 9 May. (This is as far back as their readily available data allows - there could have been a small number prior to this date.)

The figure of 29,344 smart tickets relates to all electronic taps made by these cards between 1 April 2017 and 9 May 2019. However, these may not all be new purchases, and could include taps made when using a return or weekly ticket, etc.

The figure for all electronic taps, including those made by passes that are no longer valid, during the period 1 April 2017 to 9 May 2019 is 55,603.

- *In addition, your letter states that not all ticket purchases are recorded electronically, and so it is not currently possible to identify the number of unused passes. Our understanding, based on the Auditor General's report, is that in most cases ticket purchases were being recorded through electronic ticketing machines. However, we assume that this statement refers to the number of 'smart tickets' bought where the pass in question can be identified. We would welcome confirmation of this, and an indication of the extent to which smartcard enabled systems are now in operation across Wales to support the MyTravelPass scheme and any future analysis.*

Your assessment is correct: the association is between purchase of a smart ticket and an individual MyTravelPass card.

Smartcard enabled ticketing systems are in place across Wales to record mandatory free concessionary bus travel by older or disabled persons, and MyTravelPass ticket purchases. However, as the MyTravelPass scheme is a voluntary scheme each participating operator has to programme their ticket machine infrastructure to record MyTravelPass ticket purchases. It is also dependent on the correct use by the driver when processing the purchase. This electronic record is then used by operators to support their claims for reimbursement: where they so choose to reclaim the revenue forgone. Therefore, there is an incentive for operators to provide electronic records.

Updated figures provided at 3 August 2019 were:

- 18,959 live passes (valid for travel);
- of which 2,520 passes were used to purchase tickets where the sale was recorded electronically between 1 April 2017 and 3 August 2019;
- Between 1 April 2017 and 3 August 2019, 62,836 electronic taps were made, some of which will have been purchasing tickets valid for multiple journeys, and some of which may have been tapping on multiple journey tickets already purchased.

Details of the compensation mechanism

- *Thank you for confirming that the Welsh Government has continued to compensate operators based on actual use since 1 April 2017. On that basis, we assume that the following statement in your earlier evidence paper was incorrect, in that this reimbursement mechanism had already been introduced prior to the internal audit review: “The [internal audit] report was clear that lessons could be learned, and the Welsh Government quickly implemented a number of actions – including reimbursing bus operators on the basis of the actual number of journeys undertaken.”*

The Internal Audit (IA) review was undertaken between May and July 2018, and the report was published in November 2018. Prior to that report we had already considered opportunities to improve the scheme incorporating lessons learned during the initial 18-month pilot. This included a shift to a demand-led approach which was incorporated at the first opportunity, in April 2017, before the internal audit review in 2018.

Modelling of costs for 19-21 year olds and for the overall 2019-20 budget

- *You described the analysis as ‘slightly crude maths’ in your oral evidence, but nevertheless noted that there was more that had gone into this modelling. We note a reduction in the overall number of 16-18 year olds when compared with the figures that informed the original plans for the scheme in 2015. Nevertheless, the ‘estimated number of passes annually’ for 16-18 year olds (12,185) was noticeably lower than the number of live passes in circulation for as at August 2018 (a figure that had increased to 16,961 by 9 May 2019). We would therefore welcome clarification of the rationale for the 12% take-up figure used in the modelling for 16-18 year olds and then applied to 19-21 year olds. Notwithstanding your previous description, we were also surprised that the same take-up/journey assumptions were simply carried over to 19-21 year olds with no allowance made for possible differences in travel patterns or, for 2019-20 at least, the impact of incremental growth in take-up following the launch. We would welcome details of any supporting evidence about existing bus use among 19-21 year olds that informed the analysis.*

The rationale included an allowance for an increased take-up arising from the marketing activities that were being planned. Whilst the scheme is demand-led, it is also important to reflect potential worst-case scenarios when determining the budget required to enable Ministers to make informed decisions.

In common with the initial 16-18 pilot there is no readily-available source of trip rate data available for the 19-21 cohort. The closest available proxy was that we had used for the 16-18 cohort given that these would be expected to have similar trip purposes (regular trips for education or employment and recreation). In common with all demand-led schemes, the take-up and use of the scheme will be reviewed and future budget forecasts will reflect the latest available data. Against the undoubted appeal of the offer, it is also the case that some older potential passholders might already have established their travel choice to be by a car when they became eligible.

- *For completeness, we would also be interested to see a breakdown of the actual number of journeys estimated during 2018-19 based on ticket sales for 16-18 year olds (equivalent to Figures A5 and A6 in the Auditor General's report).*

Regrettably, it has not yet been possible to obtain this information. As this is a peak period for processing applications and issuing passes, some additional time will be required to obtain and provide this information. I would hope to share this with you later in the year in coming weeks, once we are past the peak associated with the start of the new academic year.

Other matters

- *During the evidence session on 20 May, Sheena Hague noted that officials were looking at how many of those taking up passes as 19-21 year olds had participated in the scheme as 16-18 year olds. We would be interested to see any such analysis.*

Officials have asked the administrators of MyTravelPass for details of the number of 16-18 years old who had gone on to apply for a 16-21 year old pass following the age extension.

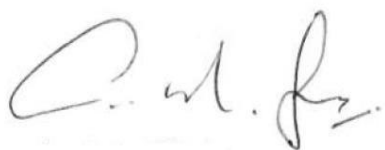
The administrators have confirmed that they do not hold such data for 16-18 year old pass holders who have gone on to apply for the new scheme. This is due to the way they store and destroy data subject to the General Data Protection Regulation (GDPR), and also to allow a returning applicant to apply for a new pass without that application being declined because it would be perceived as a duplicate.

Unfortunately, we have recently been informed by the administrators that the wording of the GDPR statement within the application process prohibits them from surveying applicants to obtain this data.

I hope this information will assist you with your further deliberations, and please come back to me if you need anything additional.

With best wishes.

Yours sincerely



Andrew Slade
Director General
Economy, Skills and Natural Resources